

COMMONWEALTH OF MASSACHUSETTS  
*Before the*  
DEPARTMENT OF PUBLIC UTILITIES

D.P.U. 09-01-A

FITCHBURG GAS AND ELECTRIC LIGHT COMPANY, D/B/A UNITIL

DIRECT TESTIMONY  
OF  
ROBERT C. YARDLEY, JR.

March 25, 2009

1

2 **Q. Please state your name and business addresses.**

3 A. My name is Robert C. Yardley, Jr. My address is 56 Lawrence Road, Chestnut  
4 Hill, MA, 02467.

5 **Q. Please summarize your professional and educational background.**

6 A. I have been a consultant to the energy industry for approximately 25 years. For  
7 two of those years, I served as Chairman of the Massachusetts Department of  
8 Public Utilities. As a consultant, I have served as an advisor to private and public  
9 organizations in the energy industry on rate, regulatory, public policy, and  
10 strategic issues. I have been active in public policy matters as a speaker,  
11 facilitator, and expert witness. I also have substantial executive leadership  
12 experience in the energy consulting industry. In addition to regulatory, rate and  
13 technical consulting, I also provide management consulting services to energy  
14 clients. I graduated from Georgetown University in 1976 with a B.A. in  
15 Economics. In addition, I completed all of the necessary course work for a Ph.D.  
16 in Economics at Boston College but did not complete my dissertation. My  
17 background and consulting experience is described in more detail in Exhibit FGE-  
18 RCY-1.

1

2 **Q. What is the purpose of your testimony?**

3 A. The purpose of my testimony is to introduce the 2008 Ice Storm Self-Assessment  
4 Report (“Report”) that is attached to my testimony. As noted in the Report, I am  
5 the principal author and have worked closely with the members of Unitil’s  
6 witness panel and with many other individuals that worked to restore power after  
7 the December 11-12, 2008 ice storm (“2008 Ice Storm”).

8 **Q. Mr. Yardley, can you describe the Self-Assessment Report provided with**  
9 **your testimony?**

10 A. Yes. The Report reviews Unitil’s performance in restoring power to  
11 approximately 69,000 customers after the 2008 Ice Storm. The purpose of the  
12 Self-Assessment Report is to identify “lessons learned” and to prepare a set of  
13 specific recommendations that, when implemented, will improve Unitil’s ability  
14 to withstand and respond to a future major storm or other emergency of  
15 comparable magnitude to the 2008 Ice Storm. The Report includes a review of  
16 actions taken leading up to the 2008 Ice Storm, throughout the restoration period,  
17 and subsequent to restoration of all storm-related outages in order to provide a  
18 context for lessons learned and recommended changes.

19

20 **Q. When were you retained by Unitil to assist in the preparation of the Report?**

21

22 A. I was contacted on December 19, 2008 by Robert Schoenberger, CEO of Unitil  
23 and asked to lead a broad self-assessment of the Company’s response to the 2008

1 Ice Storm, consisting of: (1) performing an objective review of Unitil's  
2 performance; (2) identifying lessons learned; and (3) providing specific  
3 recommendations to improve Unitil's ability to respond to a storm or other  
4 emergency of comparable magnitude. I began working with Unitil on this  
5 engagement on December 29, 2008 and reported directly to Mr. Schoenberger.  
6

7 **Q. Have you conducted prior engagements on behalf of Unitil?**

8 A. Yes. I submitted expert testimony in Unitil's 2005 New Hampshire rate case  
9 (Docket No. DE 05-178) on the issue of earnings attrition. In the recent  
10 acquisition of Northern Utilities, Inc., I was a member of Unitil's leadership team  
11 which was assigned the responsibility of integrating Northern Utilities into Unitil.

12 **Q. What aspects of your background and experience contributed to your ability**  
13 **to assist Unitil on this engagement?**

14 A. This engagement brought together a wide range of prior experiences. Because  
15 Unitil's goal in conducting this self-assessment was to identify lessons learned  
16 from the 2008 Ice Storm in order to implement changes to improve service to  
17 customers in future major storms, my experience as a utility regulator was  
18 particularly applicable. I instructed my team to keep in mind that the primary  
19 beneficiaries of the Report should be Unitil's customers as we were conducting  
20 our efforts. While the Report is intended primarily to help Unitil to take the next  
21 steps and implement specific recommendations, a regulatory perspective is  
22 helpful to assist the Department in its efforts to review the response of Unitil and  
23 other utilities to the 2008 Ice Storm.

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2 I have also worked on a wide range of projects over the past 25 years involving  
3 virtually every aspect of a utility's operations and have sufficient background in  
4 all of the areas of inquiry required to prepare the Report. I have reviewed and  
5 testified on distribution planning matters, including distributed generation issues  
6 that cut across operational aspects of an electric distribution utility. I have  
7 worked on deregulation and restructuring of the electric utility industry and have  
8 led two large engagements that involved a review of most functions at utilities, in  
9 addition to due diligence efforts related to potential mergers and acquisitions.

10

11 Finally, I have been in a leadership position at organizations and on consulting  
12 assignments and understand how organizations function and how to promote  
13 change within organizations.

14

15 I called upon all of these prior experiences in performing this engagement.

16

17 **Q. Please describe your efforts to assist Unitil in more detail.**

18 A. Together with my team, I conducted interviews with Unitil personnel that were  
19 directly involved in the various aspects of the response to the 2008 Ice Storm  
20 including personnel from operations, customer service, and public  
21 communications. I and members of my team have reviewed data related to  
22 Unitil's response to the 2008 Ice Storm, as well as documents relevant to this

1 inquiry. I met regularly with Mr. Schoenberger throughout the engagement to  
2 brief him on the status of my efforts on Unitil's behalf.

3 Based on my efforts to prepare the Report, I also assisted Unitil with the  
4 preparation of its February 23, 2009 filing with the Department.

5 **Q. Are you the principal author of the Report's recommendations as well?**

6 A. Yes. I drafted each recommendation and provided Unitil with an opportunity to  
7 review and comment on the recommendations, as well as other portions of the  
8 Report.

9

10 **Q. Does this conclude your prefiled testimony?**

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12 A. Yes.

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